

**City of Pomona
Successor Agency Oversight Board
Regular Meeting
May 24, 2012
9:30 a.m.**

Pomona City Council Chambers

505 S.Garey Avenue, Pomona

Board Members Present

Leslie Barnes, Board Member
Gerry Hertzberg, Board Member
Alfa Lopez, Board Member
Elliott Rothman, Vice Chair
Bruce Saito, Board Member
Carrie Sutkin, Chair

Board Members Absent

Mike Gregoryk, Board Member

Staff Members Present

Linda Lowry, City Manager
Arnold Alvarez-Glasman, City Attorney
Scott Nichols, Deputy City Attorney for former redevelopment agency
Paula Chamberlain, Director of Finance
Raymond Fong, Director of Redevelopment
Marie Michel Macias, City Clerk

Members of the Public

Bacilio Granadas
Tomas Ursua

1. CALL TO ORDER

A) Roll Call by the City Clerk

The Roll Call was taken by the City Clerk.

B) Pledge of Allegiance

The Pledge of Allegiance was led by the City Clerk.

2. APPROVAL OF MINUTES – MEETING OF APRIL 26, 2012

On motion of Vice Chair Rothman, seconded by Board Member Barnes, carried by unanimous vote of the members present (6-0-1-0) Board Member Gregoryk absent, the minutes of April 26, 2012 were approved.

3. SELECTION OF SPECIAL COUNSEL FOR THE OVERSIGHT BOARD

Chair Sutkin reported that she chaired an Ad-Hoc Committee comprised of Vice Chair Rothman, and Board Member Hertzberg. The Committee met via teleconference and interviewed the three top attorneys that completed and submitted a Request for

Quotation. The Committee unanimously recommends that the Board hire Teresa L. Highsmith of Colantuono and Levin.

On motion of Chair Sutkin, seconded by Board Member Hertzberg, carried by unanimous vote of the members present (6-0-1-0) Board Member Gregoryk absent, the Board approved to instruct Successor Agency staff to negotiate, finalize and enter into contract with Teresa L. Highsmith of Colantuono and Levin.

4. APPROVAL OF THE REVISED ADMINISTRATIVE BUDGET FOR FEBRUARY 1, 2012 THROUGH JUNE 30, 2012

Paula Chamberlain, Finance Director, reminded the Board that they approved the first 6 months of the budget at the first Oversight Board meeting held on April 26, 2012. However, the Board asked for clarification on the administrative cost allowance based on the 5% and 3% restriction and the information was provided to the Board at the May 3, 2012 meeting. At the May meeting, staff indicated that the first 6 months of the budget would be resubmitted to match the amount reflected in the ROPS and ensure the total of the two budgets stayed within the estimated allowance.

Ms. Chamberlain also informed the Board that the budget includes an estimated amount of \$10,000 for both May and June for legal services for the Oversight Board. However, on the July-December 2012 ROPS the amount for legal services has been reduced to \$3,500 per month in order to stay within the administrative cost allocation amount. The Board reviewed the revised Administrative Budget as presented.

On behalf of Linda Lowry, City Manager, Paula Chamberlain, Finance Director, provided a detailed chronological report on the verbal, written, and email communication with the DOF on the ROPS. The Board requested that this report be a standing item on the agenda.

On motion of Board Member Hertzberg, seconded by Board Member Saito, carried by unanimous vote of the members present (6-0-1-0) Board Member Gregoryk absent, the Board approved the revised Administrative Budget for February 1, 2012 through June 30, 2012.

5. CLOSED SESSION (Taken out of order by the Board)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Pursuant to Government Code Section 54956.8)

Property:	101 W. Mission Blvd., Mission Promenade
Negotiating Parties:	Suite 103 - Boost Mobile Pomona
	Suite 107 - Sub Café
	Suite 109 – Flame Broiler
	Suite 212 – Los Angeles County Public Defender’s Office
	Suite 222 – Pomona Chamber of Commerce
	Suite 101 – Sakura Ichi Restaurant

Successor Agency's

Negotiator: Linda Lowry, City Manager
Under Negotiation: Term of Leases

Property: 25 and 35 Rio Ranch Road
Negotiating Party: Polo and Vitalo Investments, Inc. & Daimler-Chrysler Financial

Successor Agency's

Negotiator: Linda Lowry, City Manager
Under Negotiation: Price and Terms

Property: Northeast Corner of White Ave. and Auto Center Drive
APN 8344-024-934

Negotiating Party: Lewis Land Developers, LLC

Successor Agency's

Negotiator: Linda Lowry, City Manager
Under Negotiation: Price and Terms

The Board entered into Closed Session from 10:40 a.m. to 11:25 a.m.

Arnold Alvarez-Glassman, City Attorney, announced that all six Board Members were present and Board Member Gregoryk was absent, in Closed Session. He also announced that there was no action taken.

Mr. Alvarez-Glassman, further reported that Property 25 and 35 Rio Rancho Road and Property Northeast Corner of White Ave.; and Auto Center Drive were not discussed in Closed Session as they were discussed in Open Session during Item No. 6.

6. ADOPTION OF RESOLUTIONS APPROVING (1) A PURCHASE AND SALE AGREEMENT FOR THE SALE OF PROPERTY LOCATED AT THE NORTHEAST CORNER OF AUTO CENTER DRIVE AND WHITE AVENUE, OWNED BY THE FORMER REDEVELOPMENT AGENCY, APN #8344-024-934, AND (2) A RESOLUTION APPROVING ASSIGNMENT OF THE OPTION AGREEMENT AND THE AGREEMENT CONFERRING RIGHT OF FIRST REFUSAL TO LEWIS LAND DEVELOPERS, LLC FOR THE DEVELOPMENT OF A TARGET CENTER PROJECT AT 25 AND 35 RIO RANCHO ROAD

Raymond Fong, Director of Redevelopment and Arnold Alvarez-Glasman, City Attorney, presented the staff report to the Board and answered several questions posed by the Board. The Board was concerned that there would be a risk to the Successor Agency if Lewis Land Developers backed out on the property purchase or the development of Target. Raymond Fong assured the Board that there was no risk.

Chair Sutkin expressed concern that there is no stipulation in the sale regarding land use, to ensure that the Target Center or similar will be built. Scott Nichols, City Attorney, explained that the option agreement and purchase agreement go hand in hand, and Lewis Land Developers has shown every good faith effort that the Target Center will go forward. The Successor Agency believes that transferring the land to

Lewis Land Developers gives the best opportunity to see the land be developed as a commercial property to benefit the city of Pomona.

Tomas Ursua, Pomona resident, provided public comment and expressed his skepticism that Target would actually want to build a center in that location because he felt there is superior property along the 60 Freeway. He also expressed concern that the land was being sold for \$2.6 million, but it will cost \$2 million for storm drain improvements.

On motion of Board Member Barnes, seconded by Vice Chair Rothman, carried by unanimous vote of the members present (6-0-1-0) Board Member Gregoryk absent, item was unanimously approved.

7. ADOPTION OF A RESOLUTION APPROVING COMMERCIAL LEASES WITH SIX TENANTS AT 101 MISSION BLVD. – MISSION PROMENADE

On motion of Board Member Hertzberg, seconded by Board Member Barnes, carried by unanimous vote of the members present (6-0-1-0) Board Member Gregoryk absent, the Board approved the following commercial leases at 101 Mission Blvd.-Mission Promenade:

Suite 103- Boost Mobile Pomona
Suite 107- Sub Café
Suite 109- Flame Broiler
Suite 212- Los Angeles County Public Defender's Office
Suite 101- Sakura Ichi Restaurant

On motion of Board Member Hertzberg, seconded by Vice Chair Rothman, carried by unanimous vote of the members present (6-0-1-0) Board Member Gregoryk absent, the Board approved Suite 222-Pomona Chamber of Commerce commercial lease at 101 Mission Blvd.-Mission Promenade with the following conditions; that the outstanding amount of \$12,000 be held in abeyance, that it is still an obligation to the Successor Agency, and in the event, one year from now, the lessee is current on their existing renewed lease, the matter comes back to the Oversight Board.

8. FUTURE AGENDA ITEMS

The following items were requested to be placed on a future agenda:

- Update on Department of Finance communications
- A quarterly financial report on Mission Promenade
- Update on pending litigation
- Further discussion on Target Disposition and Development Agreement (DDA)
- Review contract with recommended legal counsel

9. PUBLIC COMMENT (Taken out of order by the Board)

Bacilio Granadas, Pomona Resident, expressed his concern with projects that should have been completed in a year have been going on for several years. He stated that he felt that some projects on the Recognized Obligation Payment Schedules are not feasible or profitable, and others that would better benefit the community are not being moved forward

Tomas Ursua spoke in regards to the letter he sent requesting financial analysis information from the Oversight Board.

10. ADJOURNMENT

The meeting was adjourned at 112:33 a.m. to a Special Meeting on Thursday, June 7, 2012 at 9:30 a.m. in the City Council Chambers, 505 South Garey Avenue, Pomona.

Marie Michel Macias, Clerk

ATTEST:

Carrie Sutkin, Chairperson